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JUNE 22, 2006

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IRAN SHOULD RESPOND TO NUCLEAR OFFER SOON, SAY U.S. AND EU

Summit in Vienna also discussed Doha round of WTO talks, Guantánamo

By Stephen Kaufman
Washington File White House Correspondent

Washington -- President Bush and European Union (EU) leaders together called on Iran to respond to the international community's offer concerning its nuclear activities, warning that "time is limited," and that its answer should come in "weeks, not months."

Bush made remarks to the press with Austrian Chancellor Wolfgang Schuessel and EU President Jose Manuel Barroso June 21 at the U.S.-EU Summit in Vienna. "[I]t shouldn't take the Iranians that long to analyze what is a reasonable deal," the president said, and the Iranian government's stated intention to respond to the package of incentives on August 22 "seems like an awful long time for a reasonable answer."

He repeated that the United States is willing to join France, Germany and the United Kingdom, collectively known as the EU-3, in their direct negotiations with Iran once Tehran verifiably suspends its uranium enrichment and reprocessing activities.

"The Iranians have said that they will end uranium enrichment activities before. That's what they told the EU-3. We're just asking them to do what they already said they would do," Bush said.

"I'm convinced that when they look and see that we're working very closely together, that they will see the seriousness of our intent to resolve this in a diplomatic and peaceful way."

Austrian Chancellor Schuessel said, "time is limited, and I think we should not play with time."

"I think now is the right moment for Iran to take this offer, to grab it and to negotiate," he said, adding that the deal is "well-balanced," and has benefited from the participation of the United Nations and the International Atomic Energy Organization, as well as scientists and experts.

"[T]his is their 'kyros.' Take it. This is my advice," Schuessel said, using the Greek word that means "the right moment."

NORTH KOREA ON THE AGENDA

On North Korea, President Bush noted that country's previous agreement not to test-fire long-range ballistic missiles, and said it is the global interest "to know what they're testing, [and] what they intend to do on their tests."

"It should make people nervous when non-transparent regimes that have announced that they've got nuclear warheads fire missiles," he said.

Chancellor Schuessel said if Pyongyang carries through with its threat to test the missiles, "there will be a strong statement and a strong answer from the international community, and Europe will be part of it. So there's no doubt."

GLOBAL TRADE

Bush and EU leaders also discussed the Doha round of the World Trade Organization (WTO) negotiations, noting continued differences in their positions, but expressing hope for an agreement that would increase global prosperity.

President Bush said both sides are "committed to a successful round," despite having to make "difficult adjustments" in their policies to advance negotiations.

"[W]e can't let this round fail," Bush said. "A failed WTO round would be missed opportunity, particularly to help people ... who are impoverished," adding that

trade is more effective than foreign aid in helping to "lift people out of poverty."

EU President Barroso said the Doha negotiations are "at a crucial phase," but said after the day's discussions in Vienna, "I'm really convinced that it's possible to have a successful outcome of the Doha talks," which he said are "crucially important" to trade, the global economy and international development.

For additional information, see USA and the WTO.

TERRORISM AND DETAINEES

The three leaders also discussed the U.S. detention facility at Guantánamo Bay, Cuba. President Bush said the United States and the EU are "working through the issue," and repeated his desire to close the facility and send the approximately 400 enemy combatants, mainly from Saudi Arabia, Afghanistan and Yemen, to their home countries. "I'd like it to be over with," he said, noting that 200 combatants have already been sent back.

However, he said that some of the combatants, captured in the war on terrorism, need to be tried in U.S. courts. "[T]hey're cold-blooded killers. They will murder somebody if they're let out on the street," Bush said.

Chancellor Schuessel said the EU is calling for Guantánamo to be closed, arguing that it creates a "legal void" in the fight against terrorism, but he welcomed Bush's stated desire to close the facility.

He also said there were "clear signals and clear commitments from the American side" against torture, and said the EU should find a way to "help countries to take back the prisoners, either to charge them or to release them." President Barroso highlighted several accomplishments of the summit in his remarks, such as the establishment of a high-level dialogue on climate change, clean energy, sustainable development; a strategy to protect intellectual property rights; efforts to combat economic protectionism, including the possible finalization of an air transport agreement; and the possible establishment of reciprocal visa-free travel between EU countries and the United States.

Chancellor Schuessel also said an agreement had been reached to allow the expansion of higher education and vocational training programs between the U.S. and EU, which would reach "three times more students than before."

The transcript of the news conference, as well as copies of U.S.-EU Summit documents are available on the White House Web site:

<http://www.whitehouse.gov/news/releases/2006/06/20060621-6.html>

COPENHAGEN CONSENSUS 2006 RESULTS SURPRISING, U.S. ENVOY SAYS

Ambassador Bolton says U.N. needs to prioritize vast world issues

By Anita N. Wadhvani
Washington File Staff Writer

Washington -- Prioritizing the world's greatest problems was the challenge given to the U.N. ambassadors from China, India, Pakistan, Tanzania, Thailand, Vietnam, Zambia and the United States at a June 16-17 meeting organized by the Danish Copenhagen Consensus Center in collaboration with Georgetown University in Washington. The diplomats were asked, "If we had an extra \$50 billion to put to good use, which problems would be solved first?"

"This kind of ranking process, this kind of priority, I think, is exactly what we need to proceed," said Ambassador John R. Bolton, the U.S. permanent representative to the United Nations at a June 20 press briefing on the Copenhagen Consensus.

To find the answer to the question of the most effective use of limited resources, the participants in the meeting "The Copenhagen Consensus 2006 -- A United Nations Perspective," focused on ten global challenge areas: climate change, communicable diseases, conflicts and arms proliferation, education, financial instability, governance and corruption, malnutrition and hunger, migration, sanitation and clean water, and subsidies and trade barriers.

These areas were then subdivided into forty specific issues, from the controlling of diseases such as malaria and AIDS to reduction in education costs. Top priority for the major world challenges was given to communicable diseases, sanitation and water, education, and malnutrition.

Bolton said that "some of the outcomes were really striking"

in terms of their ranking order. "I was surprised that the elimination of subsidies and trade barriers wasn't higher," he said, adding that he was also taken aback by the fact that climate change issues ranked last on the list. Ambassador Bolton mentioned that the outcome of the prioritizing process, a task, he said, the U.N. has never engaged in before, shows what people's preferences are rather than treating every issue as the top priority. "I'd like to see the possibility of extending the program [and] having 40 or 50 U.N. ambassadors get together this time," said Bolton

The Copenhagen Consensus Center is the brainchild of a Danish economist Bjørn Lomborg, who in 2003 asked a group of leading experts from different fields and regions to try to find the most cost-effective ways of handling some of the most urgent global problems. The Copenhagen Consensus operates under the auspices of the Copenhagen Business School and cooperates with leading research and educational institutions throughout the world. Its often-controversial findings are discussed at international meetings of scholars, politicians, and representatives of international organizations.

For information on U.S. policy, see United States and U.N. Reform:

http://usinfo.state.gov/is/international_security/UNGA_2005.html

NORTH KOREAN THREAT RENEWS INTEREST IN U.S. MISSILE DEFENSE

Technological progress, international partnerships growing around project

By David McKeeby
Washington File Staff Writer

Washington -- Reports that North Korea is preparing to test a new ballistic missile has renewed interest in U.S. progress towards an effective, integrated missile defense system, as well as the expanding umbrella of international partnerships that are contributing to the project's success.

The U.S. missile defense program is a combination of systems that find, target and destroy ballistic missiles in any of their three flight periods -- the initial boost phase,

the midcourse phase and the descent phase – from defenses arrayed on the ground, at sea or in the air.

Not yet fully functional, these systems have been under development for many years, presenting engineers with the complex challenge of integrating computer, radar and missile systems in an effort commonly compared to “hitting a bullet with another bullet.” The system currently includes 11 long-range interceptor missiles; nine deployed at Fort Greeley, Alaska, and two at Vandenberg Air Force Base in California.

In May 10 congressional testimony, Air Force Lieutenant General Henry “Trey” Obering, director of the Missile Defense Agency, said that the United States and key partners are working to expand the existing umbrella of defensive coverage to prevent the United States and its allies from being coerced or threatened by ballistic missiles that could be carrying a weapon of mass destruction.

Over the past two decades, the United States has appropriated more than \$100 billion to the agency to lead the development of ballistic missile defenses, an average of \$4.7 billion a year. For 2006, Congress provided the Missile Defense Agency \$7.8 billion in funding; the agency is requesting \$9.3 billion for the fiscal year that begins October 1. The increase, said Obering, is due to “the robust phase we are entering in the development and fielding of the integrated layered capability.”

This year has seen several advances in missile defense, including three successful ground-based missile interceptor tests in New Mexico and Hawaii, as well as the successful takedown of a ballistic missile by a ship-based interceptor system installed on the Navy Aegis warship, the USS Lake Erie. Similar ships, equipped with sensors to detect a possible launch reportedly are patrolling in international waters off North Korea’s coast. The Missile Defense Agency says that another test currently under way off the coast of Hawaii has been scheduled for a long time and is not related to the tension with North Korea.

Missile Defense Agency spokesman Rick Lehner told Voice of America June 21 the Hawaiian exercise will not even test the type of interceptor that would be used if North Korea ever launched a missile at the United States. According to a statement by the agency, this will be the first test of an improved version of its interceptor missile, which it says is scheduled for operational deployment aboard U.S. Navy ships later in 2006.

INTERNATIONAL COOPERATION IN MISSILE DEFENSE GROWING

In an April 4 speech sponsored by National Defense University, Paula DeSutter, assistant secretary of state for verification, compliance and implementation, said that international support continues to grow for missile defense, as evidenced by ongoing projects in Japan, Australia, the United Kingdom, Israel, Germany, Russia and elsewhere to develop various components of the missile defense system.

A number of NATO allies that already deploy the Patriot missile system are interested in expanding their engagement in anti-ballistic missile defense. Plans are under way to integrate a missile defense battle management command-and-control system in Europe and the Middle East, similar to the integrated network of sensors and interceptors developed for the Pacific area.

With its \$1 billion commitment, Japan has become the United States’ largest international partner in missile defense.

The Japanese government has been engaged in joint research with the United States since 1999, has contributed to the design of interceptor missiles and is currently working to install an X-band radar, a key component of a future missile defense system, to protect both countries from a possible ballistic missile attack. The United States and Japan also have agreed to work together to develop a more capable sea-based interceptor that would improve the defense of both nations.

According to press reports, U.S. Ambassador to Japan Thomas Schieffer June 21 said the United States has, “greater technical means of tracking [missiles] than in the past and we have options that we have not had in the past, and all those options are on the table.”

But the U.S. Department of Defense has declined to comment on media reports that it has activated the system under development for use against a possible North Korean launch. “We don’t discuss any kind of alert status,” said Pentagon spokesman Eric Ruff June 20. “We have a limited missile defense system. It’s in the development phase. But that’s about all we really discuss,” he said.

For more information, see Arms Control and Non-Proliferation: http://usinfo.state.gov/is/international_security/UNGA_2005.html

U.S., JAPAN REACH AGREEMENT ON RESUMPTION OF BEEF TRADE

Japanese auditors will be allowed to inspect authorized U.S. suppliers

By Susan Krause
Washington File Staff Writer

Washington -- Following months of negotiations, the United States and Japan have reached an agreement that ultimately will lead to the resumption of sales of U.S. beef to Japan, the U.S. Department of Agriculture (USDA) announced June 21.

Officials in Washington and Tokyo discussed the issue in two lengthy videoconference sessions June 20 and June 21.

Japan agreed to reopen its market to U.S. beef after it conducts inspections of 35 U.S. beef-processing plants that are authorized by the U.S. government to export to Japan.

Audit teams of Japanese health and agricultural officials will arrive in the United States during the weekend of June 24-25 to begin inspections of the meatpacking facilities, according to USDA. They are expected to complete their work by July 21. A specific schedule for the inspections has not been established yet.

U.S. Secretary of Agriculture Mike Johanns welcomed the bilateral agreement but said he would not be satisfied until "U.S. beef is once again accepted in the Japanese market."

"Japan has been conducting an exhaustive examination to confirm the safety of U.S. beef and these audits must constitute the final step," he said. "We have instituted numerous changes in our system, answered every question posed by Japan, and delivered an abundance of factual, science-based assurances that U.S. beef is safe. It is time for beef trade to resume with Japan."

Upon completion of the audits, Johanns said, the U.S. goal is for all suppliers to be approved at the same time to export to Japan.

"I cannot emphasize strongly enough the importance of Japan recognizing the U.S. food safety inspection system as a single, effective system and acting accordingly in resuming trade," he said.

A LONG-RUNNING DISPUTE

The Japanese government originally banned imports of U.S. beef in December 2003 after the confirmation of a case of bovine spongiform encephalopathy (BSE, or "mad cow disease") in a single cow of Canadian origin in a U.S. herd. A human variant of the disease has been linked to consumption of contaminated beef.

Japan had been the United States' largest export market for beef, with about \$1.4 billion in sales in 2003 before the ban was imposed.

After intensive negotiations, the two countries reached an agreement that partially restored trade in December 2005, with the stipulation that no vertical column material would be contained in U.S. export shipments and that shipments would consist solely of beef and beef products from cows less than 30 months of age.

But Japan reinstated its ban on imports of U.S. beef a month later when it discovered spinal column material in a shipment of veal from a supplier in Brooklyn, New York. U.S. government officials considered that reaction excessive, and in the current talks sought a commitment that Japan would not block all trade over concerns about particular shipments.

"[M]y expectation is that minor noncompliance issues will not disrupt our entire trading relationship," Johanns said in his June 21 statement. "Instead, Japan has agreed to notify us of such issues and discuss the appropriate course, such as rejection of individual shipments, if appropriate."

FRUSTRATION IN CONGRESS

Members of the United States Senate from agricultural states greeted the agreement cautiously.

In a June 21 news conference, Senator Kent Conrad of North Dakota and Senator Pat Roberts of Kansas, members of the Senate Agriculture, Nutrition, and Forestry Committee, said they had introduced legislation that would require the Treasury Department to impose tariffs on Japanese products if Japan does not reopen its market to U.S. beef by August 31.

Also present at the press conference were senators Max Baucus and Conrad Burns of Montana and Senator Ken Salazar of Colorado, co-sponsors of the bipartisan legislation.

The senators expressed frustration at the slow progress so far in resolving the trade dispute, which they say has cost U.S. industry more than \$3 billion in sales.

“The job is not done until the beef is moving and shipped to Japan,” Roberts said. “We are introducing this bill to really keep their feet to the fire.”

“We remember all too well what has happened in the past when assurances were made that [Japan] would open the market in a timely way and more than a year later we were still waiting,” Conrad said.

The proposal also will be introduced as an amendment to an existing agricultural appropriations bill, Conrad said. A total of 16 senators have signed on as co-sponsors.

“In my experience, the only thing that gets Japan to change its mind is leverage,” Baucus said.

The bill would apply tariffs to Japanese products until the U.S. Trade Representative certifies to Congress that Japan has reopened its market to U.S. beef.

“Our goal is resumption of trade -- not promises that trade may resume,” Conrad said in a press release. “We will proceed with our sanctions bill until Japan opens its beef market to fair trade.”

Pleases Note: Most texts and transcript mentioned in the U.S. Mission Daily Bulletin are available via our homepage: <http://geneva.usmission.gov/>

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